

**UNITED STATES DISTRICT COURT**  
**DISTRICT OF MAINE**

<b>PISCES CORPORATION,</b>	)	
	)	
<b>Plaintiff</b>	)	
	)	
<b>v.</b>	)	<b>Civil Docket No. 96-246-P-H</b>
	)	
<b>MAXIM INTEGRATED PRODUCTS,</b>	)	
<b>INC.,</b>	)	
	)	
<b>Defendant</b>	)	

**RECOMMENDED DECISION ON DEFENDANT’S MOTION FOR PARTIAL SUMMARY  
JUDGMENT AND PLAINTIFF’S MOTION FOR SUMMARY JUDGMENT**

This action involves allegations of patent infringement and invalidity. The defendant has filed a motion for partial summary judgment, seeking to limit the plaintiff’s recovery of any damages to those incurred after July 2, 1996. The plaintiff seeks summary judgment on its claim of infringement and on the defendant’s counterclaim of invalidity of the patent. I recommend that the defendant’s motion be granted and that the plaintiff’s motion be denied.

**I. Summary Judgment Standards**

Summary judgment is appropriate only if “the pleadings, depositions, answers to interrogatories, and admissions on file, together with the affidavits, if any, show that there is no genuine issue as to any material facts and that the moving party is entitled to a judgment as a matter of law.” Fed. R. Civ. P. 56(c). The party moving for summary judgment must demonstrate an

absence of evidence to support the nonmoving party's case. *Celotex Corp. v. Catrett*, 477 U.S. 317, 325 (1986). In determining if this burden is met, the court must view the record in the light most favorable to the nonmoving party and "give that party the benefit of all reasonable inferences to be drawn in its favor." *Ortega-Rosario v. Alvarado-Ortiz*, 917 F.2d 71, 73 (1st Cir. 1990) (citation omitted). "Once the movant has presented probative evidence establishing its entitlement to judgment, the party opposing the motion must set forth specific facts demonstrating that there is a genuine and material issue for trial." *Id.* at 73 (citations omitted); Fed. R. Civ. P. 56(e). A fact is "material" if it may affect the outcome of the case; a dispute is "genuine" only if trial is necessary to resolve evidentiary disagreement. *Ortega-Rosario*, 917 F.2d at 73.

## **II. Factual Context**

The summary judgment record reveals the following undisputed facts: United States Patent No. 5,247,540 ("the '540 patent") was issued to Jay Hoge on September 21, 1993. Exh. A to Complaint (Docket No. 1). This patent, the application for which was numbered 596,712, covers an invention known as a "reversible data link." *Id.* at 1. On November 10, 1993, Jay Hoge assigned to Longacre & White, a law firm, "his entire right, title, and interest in the invention known as Reversible Data Link (U.S. Patent Application serial number 07/596,712)." Exh. A to Declaration of Mark D. Kirkland (Docket No. 9) ("Kirkland Dec.") at 3. On July 2, 1996, Longacre & White assigned to the plaintiff, Pisces Corporation, "100% right, title and interest in and to" "Letters Patent of the United States, Patent Number 5,247,540, entitled Reversible Data Link, said Letters Patent having issued on September 21, 1993." Exh. B to Kirkland Dec. at 2-3.

Pisces Corporation was founded in April 1989. Declaration of Charles Masalin<sup>1</sup> (Docket No. 16) (“Masalin Dec.”) ¶ 1. Jay Hoge joined Pisces as a principal in October 1991. *Id.* ¶ 3. In March 1994 Pisces discovered product information on the Maxim product MAX214. *Id.* ¶ 7. Pisces contacted Maxim in 1994 and offered to license the '540 patent; Maxim declined and stated that the patent was invalid in view of a published article by one Adcock. *Id.* ¶ 8. The '540 patent was reexamined by the Patent Office in 1995 at the request of Jay Hoge, who gave his address as that of Longacre & White. Exh. B to Affidavit of Howard G. Pollack (Docket No. 4) at 1. The original patent claims as well as newly added claims were confirmed. Masalin Dec. ¶ 9. In 1995 and 1996 Maxim again responded to contacts from Pisces claiming that the '540 patent was invalid and that its product did not infringe the patent. *Id.*

The defendant’s claim that the patent is invalid is based on three items of alleged prior art: U.S. Patent No. 4,964,124 (the “Burnett” patent), Exh. A to Declaration of Charles M. Allen (Docket No. 39) (“Allen Dec.”); U.S. Patent No. 5,194,758 (the “Ver Meer” patent), Exh. D to Allen Dec.; and an article by Ralph L. Adcock dated June 25, 1987, Exh. C to Allen Dec. The defendant also relies on the “RS-232 Standard” of the Electronic Industries Association, dated August 1969. Exh. B to Allen Dec.

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<sup>1</sup> In several respects, Masalin’s declaration does not meet the requirements of Fed. R. Civ. P. 56(e) for affidavits in support of motions for summary judgment. It is not made on personal knowledge, sets forth facts that would not be admissible in evidence as testimony from him, and does not show that he is competent to testify to many of the assertions made therein. An affidavit made upon information and belief in support of a motion for summary judgment raises no genuine issue of material fact. *New Maine Nat’l Bank v. Liberty*, 778 F. Supp. 86, 93 n.11 (D. Me. 1991). Hearsay evidence cannot be considered on a motion for summary judgment. *Reed Paper Co. v. Proctor & Gamble Distrib. Co.*, 807 F. Supp. 840, 846 (D. Me. 1992). I refer to the Masalin declaration only for those factual assertions which the defendant does not dispute and which are clearly within the declarant’s direct personal knowledge.

### III. Defendant's Motion

The defendant seeks to limit the plaintiff's recovery of damages, if any, for the alleged infringement of the '540 patent to those damages incurred after July 2, 1996, the date of the assignment of the patent from Longacre & White to the plaintiff. The defendant asserts that the assignee of a patent may not recover for infringement occurring before the date upon which the assignee takes title, unless the assignment specifically conveys the right to recover for past infringement. The assignment from Longacre & White makes no mention of such a right. Exh. B to Kirkland Dec.

The plaintiff argues in response that Longacre & White held only an equitable interest in the patent to secure a debt for legal costs incurred in obtaining the patent and that the legal title had been conveyed to the plaintiff by an assignment from Jay Hoge on November 12, 1991. Exh. A to Pisces' Opposition to Maxim's Motion for Partial Summary Judgment re No Damages Before July 2, 1996 (Docket No. 23) ("Plaintiff's Opposition"). In the alternative, the plaintiff argues that the assignment from Longacre & White included the right to recover for past infringement.

"The general rule is that one seeking to recover money damages for infringement of a United States patent . . . must have held the *legal title* to the patent *during the time of the infringement*." *Arachnid, Inc. v. Merit Indus., Inc.*, 939 F.2d 1574, 1579 (Fed. Cir. 1991) (emphasis in original). This has been the rule since at least 1923. *Crown Die & Tool Co. v. Nye Tool & Mach. Works*, 261 U.S. 24, 40-41 (1923). The plaintiff asserts that it has held legal title to the patent since November 12, 1991, based on a document entitled "Memo of Understanding," apparently signed by Jay Hoge, and providing, in its entirety:

This memo is to declare my intention to assign all rights to my invention of

a reversible data link, including the rights to the patent which is now pending, to PISCES Corp., a Maine corporation, in exchange for the sum of \$1.00.

Exh. A to Plaintiff's Opposition. The plaintiff's reliance on this document is misplaced, for several reasons.

First, the document is not authenticated. Rule 56(e) requires that documents submitted in support of or opposition to a motion for summary judgment be authenticated. 10A C. Wright, A. Miller & M. Kane, *Federal Practice and Procedure* § 2722 at 58-60 (1983); see *Ramsay v. Cooper*, 553 F.2d 237, 240 (1st Cir. 1977) (document not sworn to or accompanied by proper affidavit not competent to be considered on summary judgment). Therefore, the court cannot consider the plaintiff's argument based on this document. *FDIC v. Roldan Fonseca*, 795 F.2d 1102, 1110 (1st Cir. 1986).

Even if the document had been properly presented, however, it does not support the plaintiff's argument. The assignment of a patent must be in writing.<sup>2</sup> 35 U.S.C. § 261. The document submitted by the plaintiff as evidence of an assignment of Hoge's patent to the plaintiff is, at most, "a memorialization of an agreement to sell" the patent. *Gaia Tech., Inc. v. Reconversion Tech., Inc.*, 93 F.3d 774, 779 (Fed. Cir. 1996). This fact is underscored by the assignment from Hoge to Longacre & White in 1993. Exh. A to Kirkland Dec. Hoge's assignment of the patent to Longacre & White at that time is inconsistent with an assignment to Pisces two years earlier. The only evidence in the summary judgment record bearing on Hoge's intent is that which suggests that, while he may have intended to assign the patent to Pisces at some future time, the only assignment he actually made was to Longacre & White.

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<sup>2</sup> A patent may be assigned when the application for the patent is pending. 35 U.S.C. § 261.

The plaintiff's alternative argument — that the assignment from Longacre & White to Pisces in 1996 conveyed the right to recover for past infringement — is equally unavailing. An assignment of the whole patent includes the right to sue for infringement after the date of the assignment. *Waterman v. Mackenzie*, 138 U.S. 252, 255 (1891). However, in the absence of express language conveying the right to recover for past infringement, no such right is conveyed by assignment of the whole patent. *Valmet Paper Mach., Inc. v. Beloit Corp.*, 868 F. Supp. 1085, 1087 (W. D. Wis. 1994); *Chemical Found., Inc. v. E. I. duPont de Nemours & Co.*, 29 F.2d 597, 600 (D. Del. 1928) (citing *United States v. Loughrey*, 172 U.S. 206, 211, 212 (1898) and *Moore v. Marsh*, 74 U.S. 515, 522 (1868)). The assignment from Longacre & White to Pisces does not refer expressly to the right to recover for past infringement. Therefore, the plaintiff may not recover damages for any infringement of the patent that occurred before July 2, 1996, the date of the assignment.

The plaintiff requests leave to amend its complaint to “permit a second assignment to correct this technical defect,” so that a new assignment expressly including the right to sue for past infringement can be executed. Plaintiff's Opposition at 6-7. Courts faced with similar requests have refused to allow amendment for assignments procured after an action for infringement has been commenced. *E.g.*, *Gaia*, 93 F.3d at 779-80 and cases therein cited; *Eveland v. Detroit Mach. Tool Co.*, 18 F.2d 968, 970 (E. D. Mich. 1927). “Permitting non-owners . . . the right to sue, so long as they eventually obtain the rights they seek to have redressed, would enmesh the judiciary in abstract disputes, risk multiple litigation, and provide incentives for parties to obtain assignments in order to expand their arsenal and the scope of litigation.” *Proctor & Gamble Co. v. Paragon Trade Brands, Inc.*, 917 F. Supp. 305, 310 (D. Del. 1995). The reasoning of these courts is persuasive; Pisces may not amend its complaint in this regard.

I conclude that the plaintiff's recovery of damages for any infringement of the '540 patent is limited to injury incurred on or after July 2, 1996.

#### **IV. The Plaintiff's Motion**

##### **A. Infringement**

Summary judgment is available on patent claims. *American Tube & Controls, Inc. v. General Fittings Co.*, 407 F.2d 1291, 1292 (1st Cir. 1969). However, the prior art and patent claims in this case are not "so simple that they can be readily understood by any normally intelligent person without the aid of expert testimony." *Magic Fingers, Inc. v. Auger*, 232 F. Supp. 372, 373 (D. Me. 1964). Both parties have presented affidavits from expert witnesses.

I do not reach the issue of infringement on the plaintiff's summary judgment motion. The plaintiff moved for summary judgment on both this issue and the counterclaim's allegation of invalidity of the patent. Docket No. 11. However, the plaintiff did not submit a single memorandum of law in support of its motion. Instead, it submitted a memorandum of nineteen pages in support of its position on the infringement issue, Docket No. 17, and a separate memorandum of seventeen pages in support of its position on the issue of validity, Docket No. 12. This approach only serves the purpose of circumventing the limitations of this court's Local Rule 7(e).<sup>3</sup> No request for leave to

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<sup>3</sup> Local Rule 7(e) provides, in relevant part: "Except by prior leave of Court, no memorandum of law in support of or in opposition to a motion to dismiss, a motion for judgment on the pleadings, a motion for summary judgment, a motion for injunctive relief, or an appeal from the recommended decision of a magistrate judge shall exceed 20 pages." An identical version of this local rule was codified as 19(f) at the time these motions were filed.

submit argument in excess of twenty pages was submitted by the plaintiff.<sup>4</sup> This example of indifference to the Local Rules should not be overlooked. Under these circumstances, I will disregard the second docketed memorandum. *Cardente v. Fleet Bank of Maine, Inc.*, 796 F. Supp. 603, 606 n.3 (D. Me. 1992); *see also Dewilde v. Guy Gannett Publ. Co.*, 797 F. Supp. 55, 56 n.1 (D. Me. 1992). There is thus no support for the plaintiff's motion for summary judgment on the issue of infringement, and the motion will be denied.

### **B. Validity**

The plaintiff relies extensively upon the affidavits of its expert to support its argument for summary judgment on this issue. Declaration of John E. McNamara (Docket No. 15) ("McNamara Dec.") & Supplemental Declaration of John E. McNamara (Docket No. 45) ("Supp. McNamara Dec."). The affidavits do not meet the requirements of Fed. R. Civ. P. 56(e) to the extent they are based on information and belief. Declaration ¶ 22, Supplemental Declaration ¶ 12. Indeed, the Supplemental Declaration, submitted after the defendant had pointed out this deficiency in the initial Declaration, Maxim's Combined Opposition to Pisces' Motions [sic] for Summary Judgment on Infringement and Validity (Docket No. 35) at 17, n.14, is nonetheless identical to the initial Declaration in this regard. Rule 56's "requirement of personal knowledge by affiant is unequivocal and cannot be circumvented." *United States v. Valore*, 152 F.R.D. 1, 2 (D. Me. 1993). McNamara's statements will be considered here only to the extent that it is clear from the context of his affidavits that he has personal knowledge concerning the matters he addresses.

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<sup>4</sup> "Counsel must make honest efforts to comply with the page limits for briefs prescribed by the rules. If it appears that an extension may be necessary, counsel should file a motion before the date the brief is due, specifying how many pages are realistically necessary and why." *Springfield Terminal Ry. Co. v. United Transp. Union*, 767 F. Supp. 333, 355 (D. Me. 1991).



A patent is presumed valid. 35 U.S.C. § 282. The presumption can be rebutted; the burden of persuasion, by clear and convincing evidence, rests with the party asserting invalidity. *Codex Corp. v. Milgo Elec. Corp.*, 717 F.2d 622, 628 (1st Cir. 1983). “Evidence of prior art not considered by the Patent and Trademark Office (PTO), especially in combination with evidence of omissions or inaccuracies in prior art presented to the PTO, eviscerates the presumption of validity.” *Id.* Thus, the burden of demonstrating invalidity may be more easily carried by evidence of prior art more pertinent than that considered by the examiner. *EWP Corp. v. Reliance Universal, Inc.*, 755 F.2d 898, 905 (Fed. Cir. 1985). On a motion for summary judgment it is the burden of the moving party to demonstrate the absence of all genuine issues of material fact as to validity. *Cooper v. Ford Motor Co.*, 748 F.2d 677, 679 (Fed. Cir. 1984).

The parties agree that the Burnett patent was not reviewed as prior art by the patent examiner on either the initial application for or the reexamination of the '540 patent. The parties' experts disagree strongly about the effect of that patent as prior art on the validity of the '540 patent, evaluated on the basis of the doctrine of obviousness. *Compare* Allen Dec. ¶¶ 7-32 *with* McNamara Dec. ¶¶ 6, 19-20 and Supp. McNamara Dec. ¶¶ 2-11.<sup>5</sup> This issue arises under 35 U.S.C. § 103(a), which provides:

A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the

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<sup>5</sup> The defendant has moved to strike “new matter” in the plaintiff’s reply memorandum on this issue, apparently addressing those portions of McNamara’s Supplemental Declaration that concern the Burnett patent. Docket No. 47. The motion also attacks the credibility of McNamara’s supplemental declaration. Questions of weight and credibility of expert testimony require trial. *Scripps Clinic & Research Found. v. Genentech, Inc.*, 927 F.2d 1565, 1578 (Fed. Cir. 1991). In any event, because I conclude that the plaintiff is not entitled to summary judgment even if the additional McNamara information is credited, this motion is moot.

subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains.

The test for obviousness is set forth in *Graham v. John Deere Co.*, 383 U.S. 1 (1966).

Patentability is dependent upon three explicit conditions: novelty, utility and nonobviousness. *Id.* at

12. Nonobviousness is the section 103 condition.

Under § 103, the scope and content of the prior art are to be determined; differences between the prior art and the claims at issue are to be ascertained; and the level of ordinary skill in the pertinent art resolved. Against this background, the obviousness or nonobviousness of the subject matter is determined. Such secondary considerations as commercial success, long felt but unsolved needs, failure of others, etc., might be utilized to give light to the circumstances surrounding the origin of the subject matter sought to be patented. As indicia of obviousness or nonobviousness, these inquiries may have relevancy.

*Id.* at 17-18. Here, neither party addresses any secondary considerations. Nor does either party provide the court with any enlightenment on the level of ordinary skill in the pertinent art.

“The trier of fact determines the level of ordinary skill in the relevant art to ensure proper objectivity at the outset of the obviousness inquiry.” *Litton Sys., Inc. v. Honeywell, Inc.*, 87 F.3d 1559, 1568 (Fed. Cir. 1996). In determining the level of ordinary skill in the art, evidence on the following points should be considered:

One, the educational level of active workers in the field;  
Two, the types of problems encountered in the art;  
Three, the nature of the prior art solutions to those problems;  
Four, the activities of others;  
Five, the rapidity with which innovations are made in the art;  
And six, the sophistication of the technology involved.

*United States Surgical Corp. v. Ethicon, Inc.*, 103 F.3d 1554, 1564 (Fed. Cir. 1997). While the Federal Circuit has held that the testimony of experts is evidence of construction of claims as they would be

construed by those skilled in the art, *McGill, Inc. v. John Zink Co.*, 736 F.2d 666, 675 (Fed. Cir. 1984), it has also indicated that testimony of experts as to their technical backgrounds, when offered to qualify the witness, is not evidence of the level of skill in the art, *Hoover Group, Inc. v. Custom Metalcraft, Inc.*, 66 F.3d 299, 303 (Fed. Cir. 1995) (holding that issue of obviousness was not presented at trial). The only evidence in the summary judgment record appears to be qualifying evidence, but I base my recommended decision on the issue of invalidity not on this lapse in the record alone. *Cf. AMP, Inc. v. Fujitsu Microelectronics, Inc.*, 853 F. Supp. 808, 815 (M. D. Pa. 1994), *appeal dismissed* 47 F.3d 1180 (Fed. Cir. 1995) (evidence of level of ordinary skill required unless subject matter of patent and prior art easily understandable).

“What the prior art teaches and whether it teaches toward or away from the claimed invention . . . is a determination of fact.” *Para-Ordnance Mfg., Inc. v. SGS Importers Int’l, Inc.*, 73 F.3d 1085, 1088 (Fed. Cir. 1995). The subject matter of the '540 patent is a reversible data link, a device capable of electronically reversing the polarity of a polarized data link interface used between data termination equipment and either data communication equipment or other data termination equipment. '540 Patent, Exh. B to McNamara Dec. The plaintiff’s expert, McNamara, opines that the Adcock article entitled “Circuit ensures proper RS-232C mating,” Exh. E to McNamara Dec., and the Ver Meer patent for an automatic switching circuit which monitors the signal output lines of a standard RS232 serial data interface, Exh. F to McNamara Dec., as part of the prior art, are “distinct from the '540 patent.” *Id.* ¶¶ 19, 20. He describes at length the differences between each and the subject of the '540 patent. *Id.* ¶¶ 19-21. However, McNamara does not discuss either item of prior art in terms of its scope and content, and what it teaches, with regard to the issue of obviousness. In his Supplemental Declaration, he addresses the Burnett patent for a computer peripheral tester, Exh. A to Allen Dec., in the same

manner. Supp. McNamara Dec. ¶¶ 6-11.

By contrast, the declaration of the defendant's expert, Allen, directly addresses what the Burnett patent teaches, Allen Dec. ¶ 24, and obviousness in terms of the Ver Meer patent and the RS232 standard, *id.* ¶¶ 25-26. He also asserts in some detail that the manner in which McNamara distinguishes between the prior art and the '540 patent is based on limitations that are not present in the claims of the '540 patent. *Id.* ¶¶ 27-31. The plaintiff does not respond to this argument.

Based on the summary judgment record, it is not possible to conclude that there is no possibility that the defendant could demonstrate invalidity of the patent on the basis of obviousness at trial. At best, the parties have presented a battle of the experts on this issue. Issues in patent cases on which there is conflicting evidence are not subject to summary judgment. *Scripps Clinic & Research Found.*, 927 F.2d at 1578. Because a genuine issue of material fact exists on this essential element of the invalidity claim, it is not necessary to examine the other factors. For this reason as well, it is not necessary to address the defendant's additional claim that the Burnett patent anticipates the '540 patent.

## V. Conclusion

For the foregoing reasons, I recommend that the defendant's motion for partial summary judgment be **GRANTED** and that the plaintiff's motion for summary judgment be **DENIED**.

## NOTICE

*A party may file objections to those specified portions of a magistrate judge's report or proposed findings or recommended decisions entered pursuant to 28 U.S.C. § 636(b)(1)(B) for which de novo review by the district court is sought, together with a supporting memorandum,*

*within ten (10) days after being served with a copy thereof. A responsive memorandum shall be filed within ten (10) days after the filing of the objection.*

*Failure to file a timely objection shall constitute a waiver of the right to de novo review by the district court and to appeal the district court's order.*

*Dated this 10th day of April, 1997.*

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David M. Cohen  
United States Magistrate Judge